

**SECRET**

DECLASSIFIED  
CLASS. CHANGED TO: TS 3  
NEXT REVIEW DATE:  
AUTH: HR 79-2  
REVIEWER:

20  
32 January 1987

**NSC BRIEFING**

**SECRET**

**HUNGARIAN SITUATION**

State Dept. review completed

25X1

- I. Hungarian regime stepping-up terror and beginning to act against dissidents in party and government.
  - A. Has dissolved writers, student groups.
  - B. Arrests and executions increased; Nagy's defense chief, Balster, reportedly condemned.
    1. Real problem not with key figures, though, but with masses.
  - C. Over-all plan contemplates direct regime management all organized activity. Government commissioners put in top posts, including in factories, over workers councils.
    1. Workers councils reportedly forming nation-wide underground.
- II. Moves necessitated by disorganized state of party and government.
  - A. Most Communists, government officials anti-Soviet.
  - B. Kadar admitted this when he criticized Communist daily, called it "bourgeois."
- III. Popular hostility remains high as ever, no compromise with regime in sight.
  - A. Indian ambassador in Moscow told Bohlen he now pessimistic about Soviet policy toward Hungary, believes Indian government has given up hope of using its influence.
- IV. Regime's program to wear down and intimidate population a slow process, Hungary still a deadweight to USSR.
  - A. Sporadic strikes, violence over-present possibilities, forms of passive resistance a certainty.
  - B. Despite tactical offensive, regime on defensive in Hungary, as is USSR in Eastern Europe.

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NSC BRIEFING

23 January 1957

### HUNGARIAN SITUATION

- I. The Hungarian regime during the past two weeks has stepped up its use of harsh policies and has resorted more and more to terror and rule by arbitrary decree.
  - A. Taking advantage of a period of relative calm (last major strikes and worker demonstrations were on 10 January), regime is now trying to clean own house in order to shape an effective instrument for subduing population as a whole.
  - B. The plan now seems to be direct regime management of all organized economic and political activity; so-called government "commissioners" are being appointed to manage factories (to oversee workers' councils), run cultural groups, direct activities of all journalists.
    1. In some cases, groups such as Writers' Union, student federations, have been dissolved by order of Interior Ministry and Ministry of Armed Forces.
    2. The workers' councils are reportedly forming an underground with arms and a nationwide communications system.
  - C. Widespread arrests of key figures with resistance leadership potentialities also underway. Legation in Budapest says this policy designed to lessen Hungarian deadweight around Soviet neck, but will prove ineffective since the real problem is with the masses, not with key individuals.
    1. One of those arrested was the writer, Gyula Ray, a Nagy supporter who way back in September was the first intellec-

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2. Executions--under the terms of martial law--have also been stepped-up, have included leaders of the revolution. Nagy's defense minister, General Pal Maleter, perhaps the top revolutionary hero, has reportedly been condemned to die, but has an appeal pending.
3. Regime claims executions up to 16 January totalled 7 with 11 more under sentence of death, but other reports suggest figure much higher.

II. These regime measures necessitated by disorganized state of both the Hungarian party and government.

- A. Most Communists in Hungary are anti-Soviet--even those active in what is left of the party. Premier Kadar himself is constantly surrounded by Soviet bodyguards.
- B. Most of the government apparatus is also anti-Soviet, many in it are also anti-regime. Contact between cabinet ministers and their staffs is at a minimum.
- C. Kadar himself has virtually admitted that things are disorganized beneath him. On 16 January he blasted "bourgeois" trends in his own party newspaper, complained that articles on Communist theory have been run side-by-side with "pictures of half-naked dancing girls."

III. All hopes for more liberal program have been dissipated. Popular hostility remains as high as ever, and no compromise between people and regime now seems possible.

- A. Indian ambassador Menon in Moscow told Bohlen he is now pessimistic about Soviet policy toward Hungary, that he believes that the Indian government has abandoned all hopes of influencing Moscow in this respect.

1. **Nemcs, who visited Hungary for 2 weeks in late December and early January, sees no prospects for a broadened Hungarian government. Earlier he had hopes of this, but now blames the USSR for scrapping a compromise program.**
2. **Nemcs told Dobson he would tell Shepilov (which he did, on 14 January) his frank opinion of Soviet errors in Hungary but that such a conversation would probably be fruitless.**

**IV. Although economic situation now slightly improved and unemployment not as high as earlier feared, long-range prospects for Hungary, both political and economic, are not bright for USSR.**

- A. **Regime's program to wear down and intimidate population, to install true "proletarian dictatorship", is a slow and tortuous way to stability. At least sporadic violence, strikes are an ever-present possibility. Passive resistance of various forms and over-all hostility are a certainty.**
- B. **Despite current tactical offensive, the regime is on the defensive.**
- C. **And despite hardening of Soviet line toward all the Satellites and the loud noise of Soviet propaganda, USSR itself is on the defensive in Eastern Europe.**